



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF NATURAL RESOURCES  
LANSING



KEITH CREAGH  
DIRECTOR

SUBMITTED: October 14, 2013  
RESUBMITTED: November 12, 2013

TO: Keith Creagh, Director

INFORMATION: Natural Resources Commission

SUBJECT: 2015 State Park Camping and 2014 Ralph A. MacMullan Conference Center Fees Adjustments

Authority:

The Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, authorizes the Director to approve various user fees within the Department, including fees charged for camping activities and for the Ralph A. MacMullan Conference Center.

**324.74114 Fees; Establishment; collection; deposit.**

Sec. 74114. The department may establish fees and collect fees for activities in state parks except those activities for which fees are established under this part. All fees collected under this section shall be deposited into the fund.

Discussion and Background:

Attached for your review and consideration are proposals to adjust the state park camping fees, effective in Fiscal Year 2015, and the Ralph A. MacMullan Conference Center fees, effective in Fiscal Year 2014, which are necessary to ensure our business model remains sustainable. This is consistent with the Michigan State Parks and Outdoor Recreation Blue Ribbon Panel's recommendation that the state park system continue to implement and utilize an outcomes oriented governance system for budgeting and managing outdoor recreation services within the Parks and Recreation Division. The plan also includes the following goal, "to provide Michigan residents with safe and proximate access to outdoor spaces in order to increase people's use of those places to help improve their health and well-being."

The Parks and Recreation Division strategic plan specifically states in Goal #2 to seek approval for camping increases to align with the Detroit Consumer Price Index (CPI). The fee increase proposal combines the CPI and occupancy of the state parks to establish a reasonable rate increase to our customers in the coming fiscal year.

The Parks and Recreation Division continues to fund state park and recreation system operations using traditional user-based revenues, but also includes the incorporation of expanding programs (i.e. state forest campgrounds and non-motorized trails). In 2010, needs were partially addressed with the implementation of the Recreation Passport. The following year, in 2011, the Michigan Natural Resources Trust Fund hit its cap, generating more Park Endowment revenue to enhance

the Park Endowment Fund. While this is perceived as a significant additional funding source, only a portion of this revenue will be used for infrastructure needs within a given year.

In 2010, the Recreation Passport was established to enhance the revenue for the system. While the Recreation Passport exceeded estimates in the first year, participation has slowed and, therefore, the Recreation Passport has not met the budgeted projections anticipated for 2012 or 2013. Even so, camping revenues continue to be the primary source of funding, approximately 40% of the overall revenue.

Operational costs continue to evolve due to normal cost increases, vehicle and travel services, utilities and supplies, and materials. These costs require an increase in camping rates to meet the funding needs and provide quality customer service to retain or enhance the 85% rating for positive customer service for clean and safe parks.

The Recreation Passport has a built in CPI escalator to assist with cost adjustments. However, camping fees do not.

#### **Operation Needs Increases in the Last 3 Years:**

New added state parks include Lime Island, Rockport, Pigeon River State	
Forest Camping, Piers Gorge, and Milliken State Park (Phase II)	\$ 533,000
Utilities (gas, electric, sewer, water)	\$ 633,000
Vehicle and Travel Services	\$ 276,000
Other Post Employee Benefits	\$1,600,000
Forest recreation needs (assumption of 134 campgrounds)	\$ 575,000
Investment in marketing the Recreation Passport	\$ 500,000
(Necessary to sell more passports)	
Central Reservation System (CRS) transition to a new contract	\$ 160,000
CRS increase in reservations	
(Note: Contractor receives \$2.50 per camp night)	<u>\$ 250,000</u>
<b>Total</b>	<b>\$4,527,000</b>

#### **Proposal:**

The last increase in camping fees occurred in 2006 and 2008. At that time the rates increased by \$4 at the high occupancy parks for 2006 (over 80% average occupancy rate), and then a subsequent smaller increase (\$2-3) in low occupancy parks (less than 80% occupancy rate).

The Funding Proposal for Fiscal Year 2015 was reviewed with the Michigan State Parks Advisory Committee's (MSPAC) Sustainable Funding Subcommittee on July 24, 2013. At the MSPAC's

regular meeting held on August 8, 2013, the funding proposal was supported and adopted via the attached Resolution No. 08-2013-01. Several options were reviewed ranging from the increase in CPI (Detroit-Flint-Ann Arbor) estimated to be 15.6% from 2006 to 2015 to a fee increase based on high, moderate and low occupancy at state parks during the peak of the camping season (July).

The fees were reviewed on a market-based approach, with the higher percentage being applied to the parks with the highest demand. The willingness by campers to pay is a major consideration when it comes to fees. Places in high demand can adjust to greater fee increases, while lower occupied sites will have a greater chance of attrition if fee increases are too significant. Another key consideration for the fees is to ensure they remain in balance with private sector campgrounds so that state park lodging fees keep pace with the range of fees.

After review and discussion of the proposals with the MSPAC subcommittee and the MSPAC's approval through a resolution, the Parks and Recreation Division offer the following recommendations.

Recommendation:

Based upon the overall goals and desired outcomes of the business plan, staff recommend the following:

**Proposed Camping Fee Adjustments (Effective in 2015)**

1. Adjust the camping and lodging fees to keep pace with parks and programs that were added to the Parks and Recreation Division services.
2. In relation to an occupancy rate of 82%, parks with:
  - a. Greater than 82% occupancy would be increased by \$4 per camp night;
  - b. At or slightly less than 82% occupancy would be increased by \$2 per camp night; and
  - c. Significantly less than 82% occupancy or rustic sites would be increased by \$1 per camp night.
3. Incorporate an adjusted 8% increase in cabins and lodges.
4. Establish a future camping fee adjustment based upon changes in the CPI that is consistent with the Recreation Passport.

**Proposed Ralph A. MacMullan Conference Center Fee Adjustments (Effective in 2014)**

1. Adjust the lunch rate to the \$10.25 state group lunch rate.
2. Raise lodging rates to \$40, \$50, and \$70 as outlined in the attachment.
3. Establish a group "conference fee" based on \$10.00 per person per day to replace the "use fee."
4. Future rates will be adjusted by the Department of Natural Resources to remain consistent with the Department of Technology, Management, and Budget's travel expense regulations.

2015 State Park Camping and 2014 Ralph A. MacMullan  
Conference Center Fees Adjustments

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If camping rates are not increased, the resources for infrastructure improvements will be reduced to support basic park operations. Increasing the rates will allow the Michigan state park system to meet the core responsibilities to:

- Ensure rates are keeping pace with the cost of living and additional needs for PRD.
- Utilize revenues to relieve Park Endowment funds set aside for capital improvements.
- Maintain high customer satisfaction and expectations.

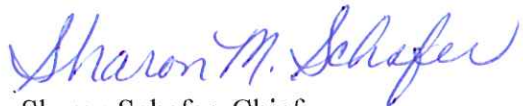
This rate increase proposal will generate approximately \$1.8 million in camping fee revenue to equal approximately a 7.2% increase since 2008. There is a 3% resistance factor included in this estimate. In 2008, when the camping fees were increased, we experienced a 3% resistance to the fee adjustment. This was during the economic downturn as well.

This item was submitted for information and consideration at the November 7, 2013 Natural Resources Commission meeting. This item appeared on the Department's October and December 2013 calendar and may be eligible for approval on December 12, 2013.

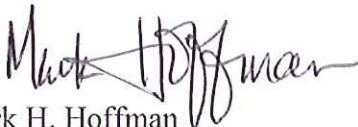
If approved, this revised camping fee structure will be effective for the 2015 camping season. The Ralph A. MacMullan Conference Center fees would go into immediate effect upon approval for new bookings and events.



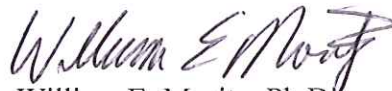
Ronald A. Olson, Chief  
Parks and Recreation Division



Sharon Schafer, Chief  
Finance and Operations Division



Mark H. Hoffman  
Chief Administrative Officer



William E. Moritz, Ph.D.  
Natural Resources Deputy

I approve the staff recommendations.

Keith Creagh  
Director

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Date Approved

# **Financing Proposal for Camping and Lodging in Michigan State Parks August 1, 2013**

## **How PRD Funds Operations: History and Current Challenges**

The Department of Natural Resources' (DNR) Parks and Recreation Division (PRD) continue to have long-range sustainable funding issues with park facilities, programs and overall operations, and infrastructure. PRD's strategic plan has specific action plans to address these funding issues stating camping fees should be increased based on the Detroit Consumer Price Index (CPI). Michigan State Parks and Outdoor Recreation Blue Ribbon Panel recommended the state park system continue to implement and utilize an outcomes-oriented governance system for budgeting and managing outdoor recreation services within Parks and Recreation Division. One of the outcomes is to provide Michigan residents with safe and proximate access to outdoor spaces in order to increase people's use of those places to help improve their health and well-being. The Parks and Recreation strategic plan specifically states in goal #2 to seek approval for camping increases to align with the Detroit Consumer Price Index (CPI). The fee increase proposal combines the CPI and the occupancy of the state parks to establish a reasonable rate increase to our customers.

PRD continues to fund the demands of our state parks which continue to expand and incorporate additional programs (state forest campgrounds and non-motorized trails). In 2010, needs were partially addressed with the implementation of the Recreation Passport. The following year, in 2011, the Trust Fund hit its cap, generating more Park Endowment revenue for PRD. While this is perceived as windfall of additional funding, only a portion of this revenue will be used for infrastructure needs within a given year. Additionally, the Recreation Passport has not met the budgeted projections anticipated for 2012 or 2013. Even so, camping revenues continue to be the primary source of funding, approximately 40% of the overall revenue.

PRD does not received general tax funds for park operations and must continue to look for sustainable funding options. Most state park systems across the country receive a portion of general tax subsidies for their programs. According to the 2012 National Association of State Park Directors Annual Information Exchange, nationwide Michigan ranks 13<sup>th</sup> overall in operational budgets. However PRD has to support their operations without such assistance which puts Michigan at the bottom for assistance in programs.

The Michigan State Park system was not built with the intention of being a self-sufficient program. In response to zero general fund dollars received, PRD has looked for and implemented innovative ways to help reduce costs or generate revenue. They include:

- Reduction in jobs, 14% full time positions since 2003
- Incentives for partnerships and stewardship volunteer efforts – Programs such as trail maintenance predominantly occur as a result of volunteers
- First Time campers program – Determined a 20% return rate for new campers who participated
- Energy conservation and Green Initiatives Program – Implement cost saving actions in operational standards especially in energy consumption
- Chief's Challenge program to inspire staff to apply business tools and innovation to generate additional revenue.
- Expanded Events to increase participation and visitation – 'Shoulder season' events to generate revenue under former permits (MVP) now focused on recreation passport for over all greater value
- Expanded commercial use permit revenues – Since 2003, expanded use permit revenue and formulas used to calculate fees (percentage of revenue in lieu of flat fees)
- Rate increases – Implementation of reservation fees to avoid loss to the program as a result of the system
- Immensely expanded partnerships and outside programs leveraging resources for programs
- Enhanced efforts with friends groups

Even with these changes to the program, the burden for the operations budget relies predominantly on camping fees in comparison to other sources of revenues. However, funds that were meant to be used for other programs, such as infrastructure improvements, continue to be used to supplement operations.

The parks system is made of two funds, Park Endowment and Park Improvement. Park Endowment is funded by 50% of the mineral revenues and interest on the Park Endowment corpus. The Park Improvement is funded by camping revenues, Recreation Passport and non-resident MVP's. The chart below shows sources of revenue over a period of 5 years for state park operations.

**State Park Resources Over a 5 year Period**

Resource Type	2008	%	2009	%	2010	%	2011	%	2012	%	2013	%
Endowment#	13,739,054	26.99%	13,834,210	26.38%	14,964,893	28.67%	12,209,111	23.10%	18,010,525	29.58%	18,757,200	29.98%
Camping	24,625,925	48.38%	25,405,484	48.44%	23,315,903	44.66%	25,547,922	48.35%	26,836,178	44.08%	26,308,649	42.05%
Rec Passport/Non Res MVP *	12,540,632	24.64%	13,208,326	25.18%	13,922,418	26.67%	15,087,883	28.55%	16,031,809	26.33%	17,493,864	27.96%
Totals	50,905,611	100.00%	52,448,020	100.00%	52,203,214	100.00%	52,844,916	100.00%	60,878,512	100.00%	62,559,713	100.00%

#In 2011 the trust fund reached its cap

\*In 2011 the recreation passport was implemented

### Capital Outlay Investments Over a 5 Year Period

	2008	2009	2010	2011	2012	2013
Park Improvement	\$ 2,000,000	\$ 2,000,000	\$ -	\$ 700,000	\$ -	\$ -
Recreation Passport	-	-	-	-	5,000,000	7,067,100
Park Endowment	-	-	2,000,000	-	9,500,000	4,553,100
	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 700,000	\$ 14,500,000	\$ 11,620,200

To compensate for the additional funds needed for operations, a larger portion of Park Endowment funds are being used every year increasing from 27% in 2008 to 30% in 2013, from \$13.7 million to \$18.7 million, respectively. The Park Endowment resources could otherwise be used for infrastructure needs.

The Recreation Passport was introduced as a mechanism to inspire more participation and ultimately more revenue. By reducing the cost for an annual permit and eliminating the daily permit (for Michigan resident vehicles) and eliminating the need of separate boating and park stickers, the intent was to bring more revenue into the system, while alleviating costs of selling stickers at the park and boat launches.

Three years after implementation, there are several factors that have changed since the conception of the Recreation Passport. Since 2010, some changes are predictable and include:

- Rise of Cost of Living (Consumer Price Index went up 12.3% over 5 year period)
- Vehicle Transfer Service (VTS) – the cost of using a vehicle increases every year
- Utilities – cost per kilowatt or demand
- Supplies and materials increases
- Other Post Employee Benefit (OPEB) costs are now paid from the park funds. This represents an adjustment in by the State to fully charge retirement costs to the state park system

**In fiscal year 2013 the recreation passport increased from \$10 to \$11. The next increase to \$12 is anticipated to be 2016/2017.**

Other changes include:

- Recreation passport participation has not met budget projections, therefore it is not generating the planned revenue – 30% target for FY2013, and 35% for FY2014. Based on the current participation numbers, PRD may only hit 28% participation in FY2013.
- Staff continues to sell Recreation Passports in the field for vehicles not participating through the SOS, thus not freeing up time for other duties within the parks.
- The need for additional investment funding to aggressively market the recreation passport per recommendation from study

- New support for state parks: Mackinac Island, Lime Island, Piers Gorge, Rockport, Pigeon River, Milliken - Phase II and forest recreation and linear trail programs
- Potential addition of an urban park (Belle Isle) and the opening of the discovery center
- Emergency repairs and hazardous tree removal due to weather conditions
- Loss of revenue annually to weather conditions (factored in)

An increase in camping rates must be implemented to address funding needs and to sustain our quality customer service to our visitors, meeting or exceeding our 85% customer satisfaction level.

### **Operation needs –increases in last 3 years:**

Central Reservation System (CRS) transition to a new contract	\$ 160,000
CRS increase in reservations	\$ 250,000
New state parks–Lime island, Rockport, Pigeon River, Piers Gorge, Milliken	\$ 533,000
Utilities *	\$ 633,000
Vehicle Travel Services	\$ 276,000
Other Post Employee Benefits	\$1,600,000
Forest recreation needs	\$ 575,000
Investment in market the recreation passport	<u>\$ 500,000</u>
<b>Total</b>	<b>\$4,527,000</b>

\*Utilities have increased \$633,000 in the last three years while energy efficient practices have saved roughly \$421,000.

### **Major infrastructure needs**

The operation needs amount listed above do not address the statewide infrastructure needs. There are over 600 projects totaling over \$340 million. This amount does not include forest recreation programs and trail needs that were transferred to PRD for administration. Recreation passport is providing roughly \$4.6 million annually for infrastructure improvements based on current participation rates. At this annual investment it would take over 74 years to complete the in current infrastructure needs. Bonding for infrastructure is being considered to address these needs. Park Improvement funds would be required for repayment of the bond debt.

### **How PRD proposes changes to current programs**

Staff initiated a review of revenue occurring in two specific areas for targeted increases:

- Non-MI resident, commercial bus, towed motor vehicle permits
- Camping fees



### Non-MI resident, commercial bus, towed motor vehicle permits

As signed by the governor, HB 4927 changed the inflator for non-resident and other permits from \$0.05 to be rounded up to the nearest \$1.00. This is effective October 1<sup>st</sup> and will be implemented January 1<sup>st</sup>. The impact on Park Improvement revenue is estimated at \$142,000 for the remaining fiscal year after January 1<sup>st</sup>.

Jan-Sept	Non-MI D	Non-MI A	Towed	Commercial
2012 Sold	206,147	35,641	889	421
2013 Fees	\$8.40	\$30.50	\$6.30	\$15.80
2013 Revenue Projected	\$1,731,635	\$1,087,051	\$5,601	\$6,652
2014 Fees – Projected	\$9.00	\$31.00	\$7.00	\$16.00
2014 Revenue Projected	\$1,855,323	\$1,104,871	\$6,223	\$6,736
Difference	\$123,688	\$17,821	\$622	\$84
				\$142,215

### Camping fees

The last increase in camping fees occurred in 2006 and 2008. At that time the rates increased by \$4 at the high occupancy parks for 2006 and then a subsequent smaller increase (\$2-3) in low occupancy parks.

When you begin to apply the occupancy factor to the rates, there are high occupancy parks and low occupancy parks. There are parks within the state where occupancy maybe adversely impacted by rate increases. There are also parks along the Great Lakes with high occupancy rates where rates increases would not adversely impact their visitation due primarily to location. Therefore increases should not be made unilaterally, but rather using the high demand and lower demand to increase the user fees.

In relation to an occupancy rate of 82% for the month of July, Parks with:

- Greater than 82% were increased by \$4 a camp night
- At or slightly less than 82% for occupancy were increased \$2 a camp night
- Significantly less than 82% for occupancy were increased \$1 a camp night

The 'cost of living factor' or Consumer Price Index for Detroit, Ann Arbor and Flint (CPI) was applied to the current rates since 2008. The CPI inflation for the past 5 years was 12.3%.

Cabins, yurts and lodging varied using the CPI of 8%. The estimated increase in revenue is \$1.4 million using a resistance factor of 3% (assumptions based on negative impact of increasing the

camping rates). The overall increase for the year is estimated to be 5.6%, below the CPI of 12.3%.

#### Rate Projections

	Base Revenue	CPI 12.3%	\$3,\$2,\$1 <8% other	\$4,\$2,\$1 <8% other	\$5,\$2,\$1 <8% other	\$5,\$3,\$1 + CPI
Cabin	\$ 365,805	\$ 414,579	\$ 398,321	\$ 398,321	\$ 398,321	\$ 414,579
Camper Cabin	205,485	231,155	221,033	221,033	221,033	231,155
Camp Site	22,737,761	25,420,254	24,822,106	25,185,406	25,560,717	25,945,786
Lodging	833,699	937,278	900,454	900,454	900,454	937,278
Rustic Cabin	650,930	731,425	702,200	702,200	702,200	731,425
Yurt	164,940	184,183	178,685	178,685	178,685	184,183
Totals	\$ 24,958,620	\$ 27,918,874	\$ 27,222,799	\$ 27,586,099	\$ 27,961,410	\$ 28,444,406
Increase in Revenue		2,960,254	2,264,179	2,627,479	3,002,790	3,485,786
Resistance Factor	3%	837,566	816,684	827,853	838,842	853,332
Estimated Revenue		\$ 2,122,688	\$ 1,447,495	\$ 1,399,896	\$ 2,163,948	\$ 2,632,454
Avg % Increase		8.5%	5.8%	5.6%	8.7%	10.5%

The staffing cost to maintain a campsite is often the same system wide. Even though employee costs are the same in each park, we recognize that campgrounds are not equally valued and higher occupied campgrounds generate revenue to support other parks within the system. The recommendation is to increase the rates at the high occupancy parks and minimize the increase at parks with lower numbers of camp nights.

#### What does the rate increase mean to our visitors?

Parks	Occupancy	Increase in rate	Increased Cost to our Visitors
Ludington State Park	High	\$ 4.00	\$ 8.80
Straits State Park	Moderate	\$ 2.00	\$ 4.40
Ionia Recreation Area	Low	\$ 1.00	\$ 2.20
Average stay - nights	2.20		

Our visitors still will have affordable camping options. Rustic camping will be \$13 per night giving families the opportunity to camp.

PRD reviewed private campgrounds to compare their camp rates to State Park campgrounds with similar amenities. Predominantly, the rates for State Parks facilities in relation to the private sector were:

Type	2013 State Parks	2013 Private Campgrounds
Modern Campgrounds (Electric)	\$16 - 29	\$18, \$31 - 49
Full Hook Up (E,W)	\$33	\$35 - 60
Rustic Cabins	\$45 - 60	\$60 - \$90
Modern Cabins/Lodges	\$110 - 220	\$175 - 190

A couple of items to consider:

- Private campgrounds typically offer greater amounts of amenities (pools, on-site sewer disposal, Wi-Fi)
- Private campgrounds offer different rates within the year; State Parks typically do only after modern campgrounds become semi-modern (closure of modern restrooms)
- Prices for State Park campgrounds should be competitive with private businesses and need to stay on track as to avoid unfair competition

#### **Final Recommendations:**

If camping rates are not increased, the portion of Park Endowment funds will continue to increase and the resources for infrastructure improvements will be spent on park operations. Looking at the options being forecasted, it would appear the best management practice would be to apply the increases in campsites adjusted for demand (\$4, \$2, \$1) along with an adjusted 8% increase in cabins and lodges to equal approximately a 5.6% increase since 2008.

Increasing the rates will allow us to meet the core responsibilities:

- Ensure rates are keeping in pace with cost of living
- Utilize revenues to relieve Park Endowment funds set aside for capital improvements
- Maintain high customer satisfaction and expectations
- Address expansion of the statewide park system

**Summary of Needs and Fee Proposal:**

Operational needs total	\$4,527,000
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**Funding Options:**

Camping fee increase	\$2,330,000
Non-MI Res, Bus & Tow	\$ 142,000
Savings in Reservation transaction	\$ 16,000
Potential Mineral Revenue, Fund	
Balance, Recreation Passport *	<u>\$2,039,000</u>
	\$4,527,000

The numbers provided are estimates. Any additional resources could be used for operation needs or infrastructure improvements.

**\*Factors to consider:**

- With the investment in marking the Recreation Passport, participation could grow
- Mineral revenues are projected conservatively so there may be additional revenue received.
- Park Endowment fund balance could help support additional operation needs, but would lessen the support for infrastructure

# RAM Center Rate Increase Proposal for 2014

## July 24, 2013

### Background

- Legislation requires all operation and maintenance expenditures to be funded by the RAM Center revolving account.
- Legislation restricts RAM Center availability to: government agencies, education institutions, nonprofit corporations and associations, organizations with a natural resources or environmental agenda, groups of individuals with disabilities, community service clubs, and Legislators.
- The rate structure is currently tied to the State of Michigan travel reimbursement schedule based on employees in travel status.
- Each of the 40,000 meals served in 2012 was served at a loss of \$1.49. This statistic includes cost of food, supplies, salaries & wages, fringe benefits, and administration, but does not include utilities.
- 42% of meals served are lunch.

### Research

- Surveys show that RAM Center lodging and meal rates are on the low end when compared to other venues. The \$7.25 lunch rate is substantially below the industry standard.
- Survey of current client groups revealed 64% of respondents are willing to pay more for lunch and 42% are willing to pay more for breakfast & dinner.
- A committee of event & training coordinators representing DNR Divisions, DEQ, and MDARD recommends raising the lunch rate to \$10.25 and establishing flexible non-government rates.
- **DTMB confirmed the group meeting rate of \$10.25 is consistent with state travel reimbursement regulations and that the \$7.25 applies to the individual traveler on a field assignment who stops for lunch.**

### Actions taken

- Two vacant positions are left unfilled.
- Manager splits time with North Higgins Lake State Park.
- State wide contract with HPS is expected to save 15% on food costs.
- Energy efficient HVAC installed in several buildings.
- Improved classroom amenities and capacity by building new classroom addition.

### Proposal

- Adjust the lunch rate to \$10.25 group lunch rate.
- Raise lodging rates to \$40, \$50, and \$70.
- Replace Use Fee with Conference Fee, based on \$10.00/person/day.
- Seek approval to adjust future rates to be within DTMB regulations.
- Work with State Park Advisory Committee task group to establish a tiered rate structure.

### Conclusion

- The proposed rate increase is expected to result in additional revenue of \$80,390. It is anticipated that this amount will be required to operate and maintain the RAM Center.
- The classroom addition, completed in 2012, doubled the amount of meeting space. It also increased annual maintenance and utility costs by approximately \$30,000.
- The original historic structures on the RAM Center campus were built in 1940. The remaining portion of the additional revenue is required to maintain and modernize these older structures. It is anticipated that this amount will be approximately \$50,000.

## RAM Center Rate Increase Proposal for 2014

Lodging Rate Types	2013 Rates	2014 Rates	Description
Traditional Lodges	\$37.50	\$40.00	Per person, per night (double occupancy)
Straits Lodge	\$48.50	\$50.00	Per person, per night (double occupancy)
Traditional Lodges (Single)	\$60.00	\$60.00	Per person, per night
Straits Lodge (Single)	\$65.00	\$70.00	Per person, per night
Breakfast	\$7.25	\$7.25	Per person
Lunch (State Rate)	\$7.25	\$10.25	Per person
Lunch (Non-State Groups)	\$8.00	\$10.25	Per person
Dinner	\$16.50	\$16.50	Per person
Use Fee, Half Day	\$4.50	N/A	Per person, per half day
*Conference Fee	N/A	\$250.00	Per group of 25, per day
Range Fee	\$15.00	\$15.00	Per person

\*Conference Fee includes: meeting space, guest registration, event planning, audio/visual equipment, technical support, wireless internet, coffee/tea/ice water service, use of facilities and grounds.

### Anticipated Increase in Revenue

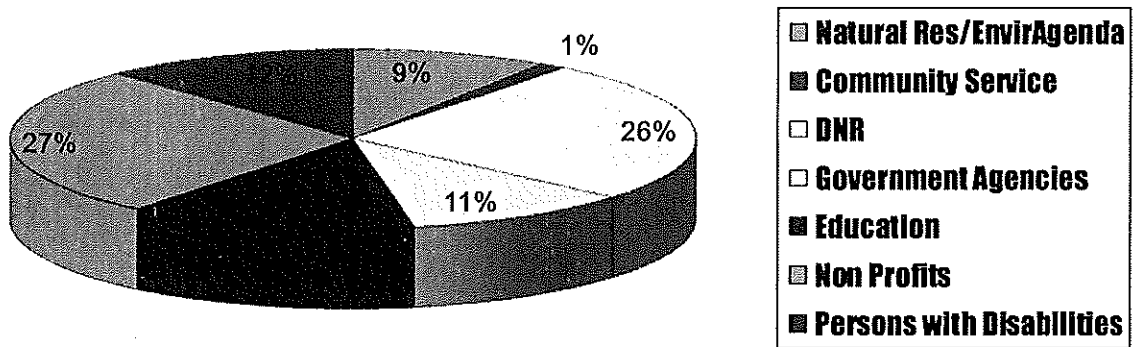
- Lodging Revenue**

Traditional:	6,235 annual lodgings @ \$2.50 = \$15,588
Straits:	2,729 annual lodgings @ \$1.50 = \$ 4,093
Straits single:	1,054 annual lodgings @ \$5.00 = \$ 5,270
	Subtotal = \$24,951
- Lunch Revenue**

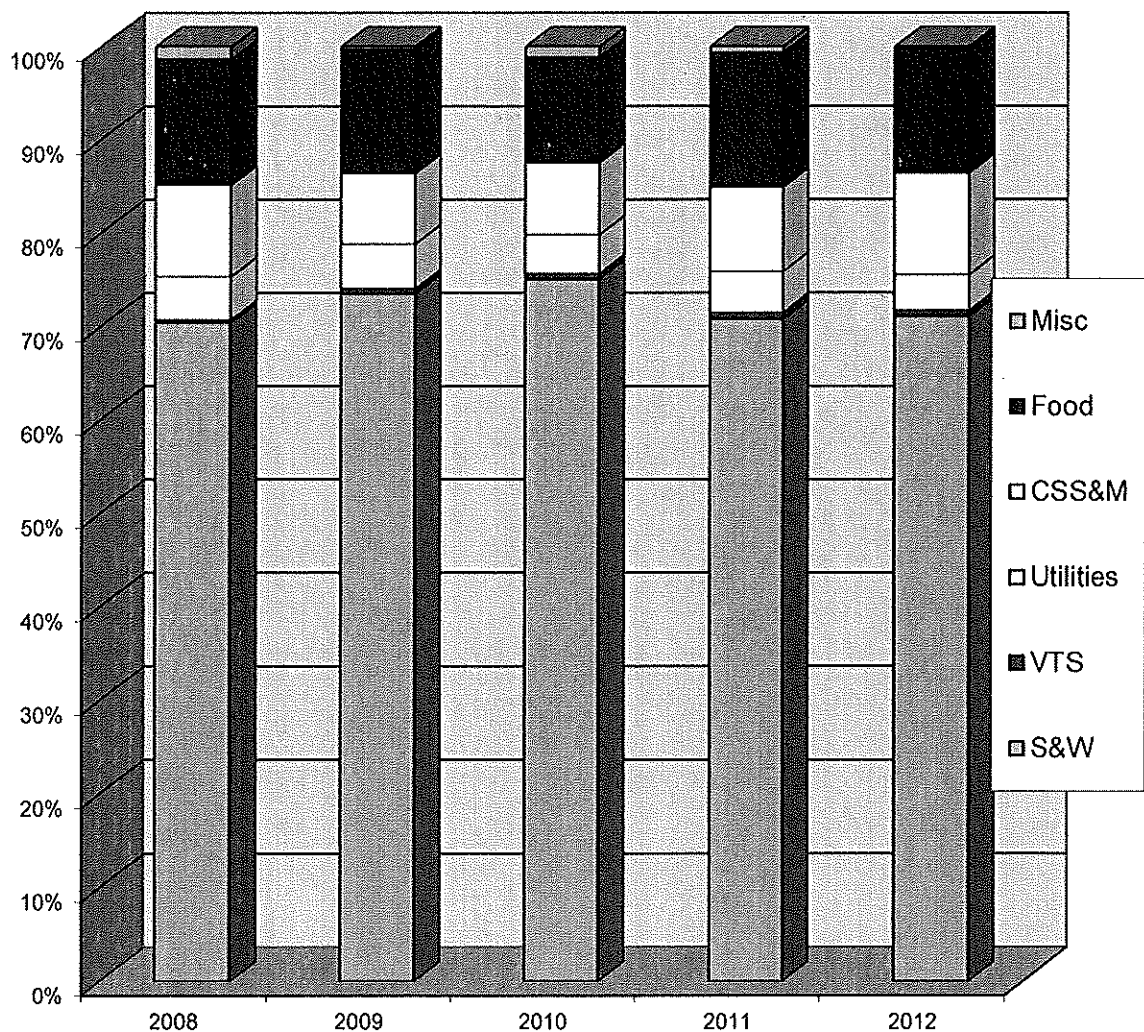
11,000 lunches (non-state) @ \$2.25 = \$24,750
5,000 lunches (state) @ \$3.00 = <u>\$15,000</u>
Subtotal = \$39,750
- Conference Fee**

31,468 half day use fees @ \$.50 = <u>\$15,734</u>
<b>Total additional revenue: \$80,435</b>

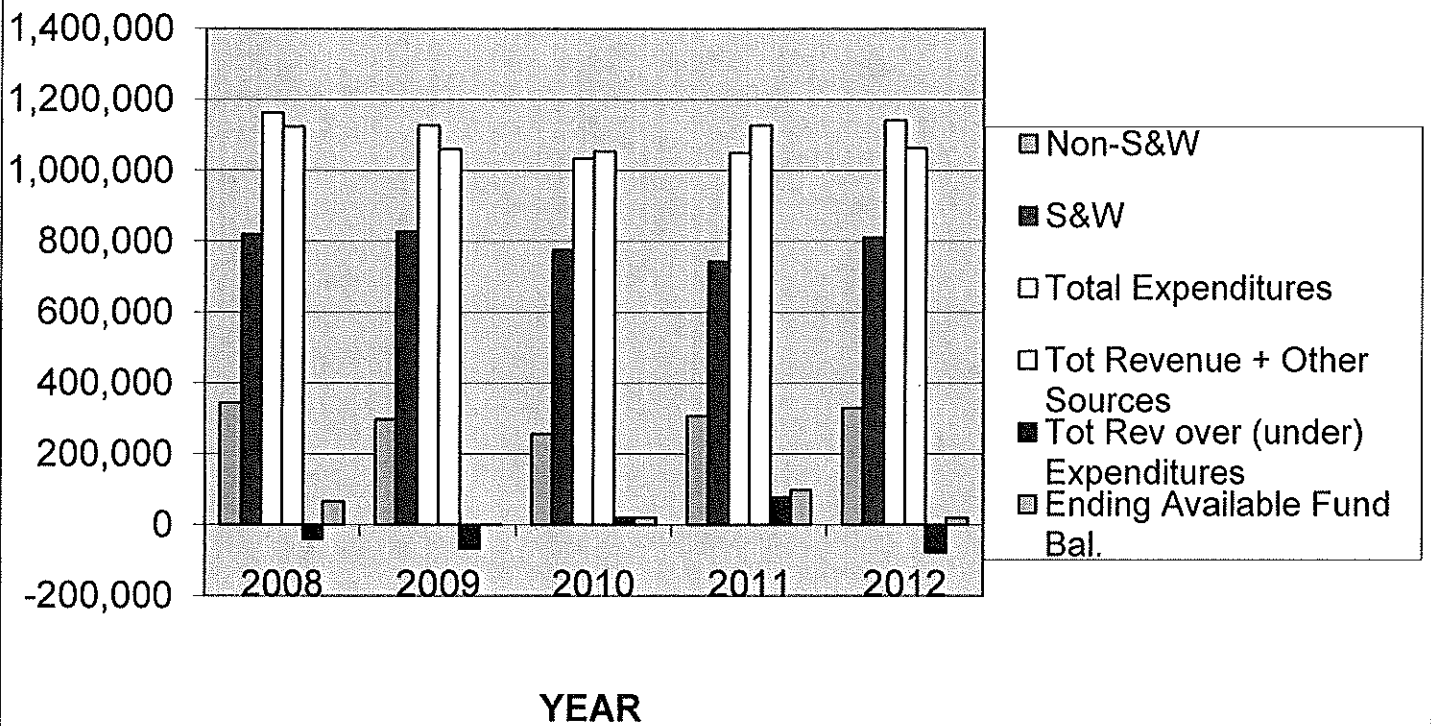
## 2012 Revenue by Group Type



## RAM CENTER EXPENDITURES



## RAM CENTER 5 YEAR COMPARISON



## RAM CENTER 2012 REVENUE BY SERVICE

